

WILLIAM HARVEY JONES

B A R R I S T E R & S O L I C I T O R

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July 31, 2017

Chaitons LLP
Barristers & Solicitors
5000 Yonge Street, 10th. floor
Toronto Ontario
MM2N 7E9
Attention: Maya Poliak

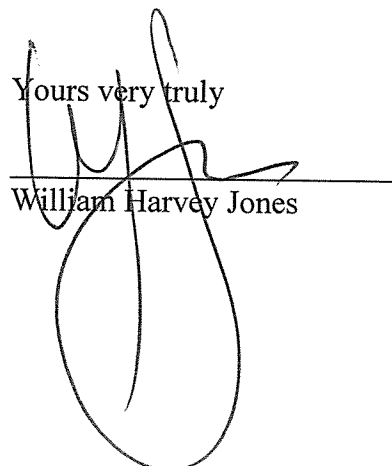
And to the attached service list

Dear Sirs and Mesdames

RE: In the matter of the Notice of intention to Make a Proposal of Forte EPS Solutions Inc.

Please find attached hereto the order of Justice Penny and his endorsement made today.

Yours very truly



William Harvey Jones

Service List

Business Development Bank of Canada

Care of Chaitons LLP.
5000 Yonge Street
Toronto, Ontario
M2N 7E7
Email: maya@chaitons.com

Department of Justice (Canada)
The Exchange Tower
130 King Street West, Suite 3400
P.O. Box: 36
Toronto, Ontario
M5X 1K6
Email: diane.winners@justice.gc.ca

Ministry of Finance Legal Services Branch
Michael Starr Building
33 King Street West. 6th/ Floor
P.O. Box 627, Station A
Oshawa, Ontario
L1H 8H5

Email: kevin.ohara@ontario.ca

Pacific High Tech Ltd
Care of Folger Rubinoff LLP
77 King Street West, Suite 3000
Toronto, Ontario
M5K 1G8

Attention: W. Ross MacDougall

Email: rmacdougall@foglery.com

Travelers Leasing Ltd.
500-4180 Lougheed Highway
Burnaby, BC V 5C 6A7

Email: AFisher@travelersfinancial.com

First Source Mortgage Corporation
1 Valley Brook Drive, Suite 100
Tonto, Ontario
M3B 2S7

Email:

Western Ontario Mortgage Community Futures Development Corporation
330 West Street, Unit 10,
Brantford, Ontario
N3R 7V5
Attention: David Penton

Email: david@woofdca.com d.swift@advocatesllp.com

North Simcoe Community Futures Development Corporation
P.O. Box 8, 355 Cranston Crescent
Midland Ontario
L4R 4K6

Email: admin@nscfed.on.ca

2306732 Ontario Inc.
Care of Angelo Mancini
Barrister & Solicitor
505 -7050m Weston Road
Woodbridge, Ontario
L4L 8G7

Email: acm@manciniassociates.com

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE

Mr.
Penny

MONDAY, THE 31ST
DAY OF JULY, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**



ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “**Debtor**”) was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn July 23, 2017 and filed, (the “**Cipressi Affidavit**”) the supplementary affidavit of John Cipressi sworn July 28, 2017 and filed (the “**Supplementary Cipressi Affidavit**”), the second report of Albert Gelman Inc., in its capacity as a proposal trustee (the “**Proposal Trustee**”) dated July 28, 2017, (the “**Second Report**”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavits of William Harvey Jones, sworn July 24, 2017 and July 28, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the motion of the Debtor for an order authorizing the Debtor to undertake sales and investment solicitation process as further described in the Cipressi Affidavit and the Second Report (the “SISP”) is hereby adjourned to a 9:30am chambers appointment on August 17, 2017.

DIP FINANCING

4. **THIS COURT ORDERS** that the execution and delivery by the Debtor of the DIP Loan Agreement as defined in the Cipressi Affidavit and substantially in the form attached as Exhibit “G” to the Cipressi Affidavit is hereby approved and the Debtor is hereby authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step contemplated therein) and to obtain and borrow under the DIP Loan Agreement to finance the Debtor’s working capital requirements (including occupation rent payable), provided that borrowings under the DIP Loan Agreement shall not exceed \$200,000.
5. **THIS COURT ORDERS** that the Debtor and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges general security agreements (collectively the “**Definitive Documents**”) as contemplated by the DIP Loan Agreement together with such modification thereto as may be reasonably required and as may be agreed to by the Debtor and the DIP Lender after consultation with the Proposal Trustee. The Debtor is hereby authorized and directed to pay all its indebtedness, interest, fees, liabilities and obligations due and owing to the DIP Lender under and pursuant to the Definitive Documents and the DIP Loan Agreement as and when the same become due, notwithstanding the provisions of any other order.
6. **THIS COURT ORDERS** the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) upon all the property, assets and undertaking of the Debtor (hereinafter the “**Property**”). The DIP Lenders Charge and any contractual interests granted by the Debtor pursuant to the Definitive Documents shall attach to the Property and

secure the obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraph 7 and 8 below.

7. **THIS COURT ORDERS** that paragraph 3 and 4 of the Order of the Honourable Justice Hainey dated June 14, 2017 (the "**June 14 Order**"), be and are hereby amended and restated, as follows:

3. **THIS COURT ORDERS AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the "**Property**"), in the maximum amount of \$100,000 which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after making of this Order in respect of these proceedings (the "**Proposal Trustee's Charge**")

4. **THIS COURT ORDERS** that the Proposal Trustee's Charge shall enjoy the following priority over the Property:

a. With respect to the Property listed at Schedule "A" to this Order the Proposal Trustee's Charge shall form a first charge in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person; and

b. With respect to the balance of the Property, the Proposal Trustee's Charge shall form a second charge in priority to all security interest, trusts, liens, charges, and encumbrances of any person, save and except for the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan and facilities made available by BDC to the Debtor

NAP

(the "BDC Security")

8. **THIS COURT ORDERS** that for greater certainty, the DIP Lender's Charge shall be subordinate in all respects to the BDC Security and the Proposal Trustee's Charge.

9. **THIS COURT ORDERS** that the Confidential Exhibits "A" and "B" to the Supplementary Cipressi Affidavit be and are hereby sealed until further Order of the Court.
10. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to September 18, 2017.

A handwritten signature in blue ink, appearing to be "R. S.", is written above a solid horizontal line. The signature is stylized and cursive.

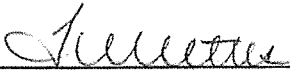
SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.


Equipment Description:

- (1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
 - (1) Technodinamica Contour TD400/1 Cutter S/N 20133500
 - (1) Micro Recycling "In-A-Box" S/N 14012467
 - (1) EPS Machine Greenmax A-C100 S/N 131108
 - (1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
 - (1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
- and all parts, attachments and accessories

TRAVELERS LEASING LTD.



Forte EPS Solutions Inc.



Dominic Zita, Director

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
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LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

(Short title of proceeding)

July 31, 2017

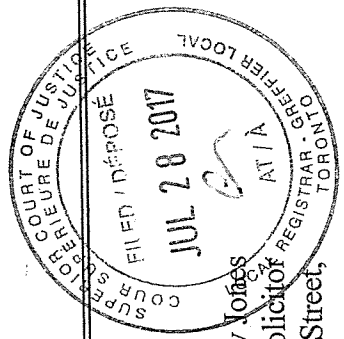
an affidavit with Re
PT's report and Trust in connection
require an extension of Re stay.
the court filtration is making
back that a return on August
17, 2017 for a 9:30 appeal week
is warranted (clear). At that
time, more information on Re
status of a possible sale vs.
a SSP will be available.

The order sought today and
not opposed. Subject to time in
forum beyond day, we bring day.

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Motion Record



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2702- 401 Bay Street,
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M4V 3A1
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Lawyer for the DEBTOR/APPLICANT